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April 3, 2008

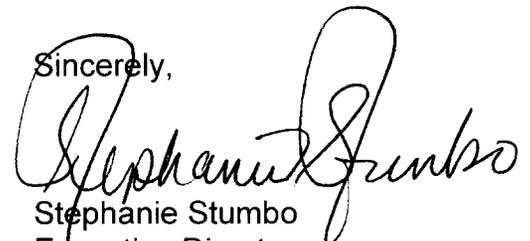
Robert M. Watt, Esq.
Stoll, Keenon & Ogden PLLC
300 West Vine Street, Suite 2100
Lexington, Kentucky 40507-1801

RE: Case No. 2007-00449
Louisville Gas and Electric Company
Kentucky Utilities Company

Dear Mr. Watt:

Enclosed is a copy of a telephone conference memorandum that has been filed in the record of the above-referenced case. Any comments regarding the contents of the memorandum should be submitted to the Commission within five days of receipt of this letter. Any questions regarding this memorandum should be directed to Anita Mitchell, Staff Attorney, at 502-564-3940, extension 258.

Sincerely,


Stephanie Stumbo
Executive Director

AM:v

Attachment

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Main Case File – Case No. 2007-00449
FROM: Anita Mitchell, Staff Attorney *alm*
DATE: April 3, 2008
SUBJECT: March 20, 2008 Telephone Conference

Pursuant to a Staff Notice, a telephonic informal conference was held on March 20, 2008 at 2:00 p.m. for the purpose of discussing the proposed special contract that is the subject matter of this proceeding. Those participating in the conference were:

Robert M. Watt	Stoll, Keenon & Ogden representing LG&E and KU
Jeffrey Shaw	PSC Staff
Dawn McGee	PSC Staff
Anita Mitchell	PSC Staff

Beginning the conference, Staff explained that Commission Staff would prepare minutes of the conference for the case record, that a copy of the minutes would be provided to counsel for the applicants, and that written comments upon the minutes would be permitted.

Staff requested information concerning the costs involved in the proposed contract and specifically asked that the applicants provide additional information regarding compliance with the affiliate transaction statutes. Counsel for the applicants stated that the costs were based on the cost-of-service study that was prepared by The Prime Group and used in Louisville Gas and Electric Company's last general rate case. Mr. Watt also stated that he would provide the information for the record.

There being nothing further to discuss, the conference was adjourned.

cc: Parties of Record